

**Abstract of the Disclosure:**

A financial institution calculates a merchant's dispute-to-record-of-charge (ROC) ratio for each merchant involved in a credit transaction processed by the financial institution. Any merchants that have a dispute-to-ROC ratio over an established threshold percentage will be selected for a process to reduce disputed charges. After selection, the financial institution sends the merchant a notification including a predetermined period of time in which the merchant must lower their dispute-to-ROC ratio to avoid chargeback fees. If the merchant does not lower their dispute-to-ROC ratio below the threshold percentage within the predetermined period of time, then the merchant will be billed the chargeback fee for every future dispute over the threshold percentage.